



National State Auditors Association

STATE OF GEORGIA
Department of Audits and Accounts
External Quality Control Review
OPINION REPORT
September 30, 2008



National State Auditors Association

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Russell W. Hinton, State Auditor
Department of Audits and Accounts
270 Washington St. S.W. Suite 1-156
Atlanta, Georgia 30334

Dear Mr. Hinton:

We have reviewed the system of quality control of the Georgia Department of Audits and Accounts (the Department) in effect for the period July 1, 2007 through June 30, 2008, including performance audits issued by the Department's Performance Audit Division from July 1, 2006 through June 30, 2008. A system of quality control encompasses the Department's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with government auditing standards. The design of the system and compliance with it are the responsibility of the Department. Our responsibility is to express an opinion on the design of the system, and the Department's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the Department's system of quality control for engagements conducted in accordance with government auditing standards. In addition, we tested compliance with the Department's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the Department's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the Department's engagements conducted in accordance with government auditing standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the Georgia Department of Audits and Accounts in effect for the period July 1, 2007 through June 30, 2008, including performance audits issued by the Department's Performance Audit Division from July 1, 2006 through June 30, 2008, has been suitably designed and was complied with during the period to provide reasonable assurance of conforming with government auditing standards.

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